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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 000485

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TAGS: PGOV PREL IZ

SUBJECT: VP ADEL MULLING VETO OF PROVINCIAL POWERS LAW

REF: BAGHDAD O/I - 17 FEB 08

Classified By: Ambassador Ryan C. Crocker for reasons 1.4 (b) and (d).

 $\P 1$. (C) Summary: In a February 19 meeting, the Ambassador urged Vice President Adel Abdel Mehdi to put aside misgivings about the recently-passed Provincial Powers law and not to veto the bill, a move that would also block enactment of the 2008 GOI budget and an Amnesty law (all were approved as a three-item package by the CoR on February 13). Adel argued at length that the Provincial Powers law violates the Iraqi constitution and moves Iraq backward toward rigid central government control. Noting he had received an official copy of the law on February 17 in his capacity as a member of the Presidency Council, Adel said the Presidency Council has until February 26 to act on the package but declined to say whether he will sign or veto the bill. The Ambassador reminded Adel that another option would be to simply let the package pass without veto or signature, as fellow Vice President Tareg al-Hashemi did last month with the De-Baathification law, and emphasized that blocking the three-item CoR package deal would halt hard-earned momentum and reverse progress. Identifying the issues of authorities and immunities as key in upcoming bilateral Strategic Framework negotiations, the Ambassador expressed hope that the talks could be conducted in a collegial atmosphere, and Adel replied that the GOI could be ready to begin negotiations next week. End Summary.

"I Am in a Very Difficult Position"

12. (C) Although Adel said "the entire structure of the Provincial Powers law is wrong, central government authority is the basis of everything in the law," his specific complaint centers on a provision that gives provincial councils and the CoR (by an absolute majority vote and upon the Prime Minister's recommendation) concurrent power to dismiss provincial governors. Adel asserted that the provision violates Article 115 of the Iraq constitution, which holds that "all powers not stipulated in the exclusive powers of the federal government belong to the authorities of the regions and the governorates that are not organized in a region." Moreover, it moves Iraq backward toward rigid central government control -- "even Saddam's law gave the provinces more authority," he fumed. The Ambassador replied that while he understood Adel's position, he also understood the countervailing argument that Iraq should not move too hastily toward decentralization. He pointed out that removal of a sitting governor by an absolute majority of CoR members is an unlikely scenario, since CoR members themselves represent provinces. In reply to Adel's fear that the Prime Minister might abuse his recommendation authority by bullying governors (as Maliki is already doing, Adel claimed), the Ambassador observed that the Presidency Council of which Adel is a member has the power to recommend removal of the Prime Minister but does not exercise such power. He said that the law could be amended in the future if Iraqis saw the need. Furthermore, he reminded Adel that the three-item package was approved by the CoR, including some members of Adel's own Shia alliance, and stands as an important political achievement that has been noticed and appreciated in Iraq and abroad. Rejection of the Provincial Powers law would mean rejection of the entire three-item package, a move that could halt promising political momentum and doom future progress on truly vital issues like Article 140 and a hydrocarbons law.

 $\underline{\P}3$. (C) Lamenting that he implored the CoR to sort out all contentious issues prior to passage of the Provincial Powers law, Adel said "I am now in a very difficult position" because he believes the law as passed violates fundamental principles of federalism and democracy that are crucial for Iraq's future -- "all that we struggled for." As an example of potential problems that could flow from the law, he asked rhetorically whether the people of Anbar would accept that a Shia-majority CoR removed their governor, and asserted that CoR members will be unable to fully investigate PM dismissal recommendations. Noting he had received an official copy of the law on February 17 in his capacity as a member of the Presidency Council, Adel said the Presidency Council has until February 26 to act on the package. He acknowledged that the provision for the COR to dismiss a governor was less onerous than an earlier effort to give the PM that authority, and said he understood the Ambassador's points, but declined to say whether he will sign or veto the bill. The Ambassador reminded Adel that another option would be to simply let the package pass without veto or signature, as fellow VP Hashemi did last month in the case of the De-Baathification law, and he again emphasized that blockage of the three-item CoR package deal could halt momentum and reverse progress. Adel said he had not yet talked to the Iraqi Constitutional Court about his concerns. He added that he will consult with ISCI Chairman Abdel Aziz al-Hakim (who will return on February 20

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from medical treatment in Iran), President Talabani, and VP al-Hashemi in the coming days. (Note: We will also be speaking to them, and will urge them to counsel Adel to not block the three-item package).

Strategic Framework Agreement

14. (C) The Ambassador identified two key issues as key in upcoming bilateral Strategic Framework negotiations: authority to conduct operations and detentions, and immunities. He expressed hope that the U.S. and Iraq could negotiate as friends and allies and that, in contrast to discussions regarding the Declaration of Principles, the coming talks could be conducted in a collegial and non-adversarial atmosphere. Adel replied that he agreed with the Ambassador's statement and suggested the GOI could be ready to begin negotiations next week, prior to the February 27-28 Arba'een Shia holiday.

Najaf Visit, No Movement on New Cabinet

15. (C) Adel, who is sometimes dubbed "the chameleon" (al-Harba) by Iraqis due to ideological swings that took him from communism to political Islam over the course of his political career, was delighted to learn of the Ambassador's February 17 visit to Najaf. He and the Ambassador agreed that Najaf has great economic potential, particularly as a destination for Shia religious tourists, and Adel averred that most of Najaf's estimated 2500 daily foreign visitors come not from Iran but rather from Gulf states and the Indian subcontinent. The Ambassador briefed on USG assistance to help Najaf develop an international airport. In reply to the Ambassador's query on operations of the GOI Executive Council, Adel said matters remain "stagnant" and complained that Maliki has taken no action on re-constituting his cabinet. He added that the Council would meet again on Wednesday February 20. CROCKER